89-1789

No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1989

U.S. GOLD & SILVER INVESTMENTS, INC.,
an Oregon Corporation,

Plaintiff-Petitioner,

vs.

THE UNITED STATES OF AMERICA, *ex rel*
Director United States Mint, and J. ARON & COMPANY,

Defendants-Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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COUNTERSTATEMENT OF QUESTIONS PRESENTED FOR REVIEW

Was the United States Court of Appeals for the Ninth Circuit correct in ruling, as a matter of law, that the phrase "U.S. Gold," when used as a trade name by a business located in the United States which markets *gold* coins, including gold bullion coins minted in the United States in the latter part of the 19th Century and early part of the 20th Century, is "descriptive" of the business conducted?

Was the United States Court of Appeals for the Ninth Circuit correct in ruling that there was no genuine issue of material fact with respect to whether the trade name, "U.S. Gold" had acquired a secondary meaning where plaintiff could not identify a single piece of advertising or promotional literature or a single specific investor who identified petitioner by that name?

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COUNTERSTATEMENT OF THE CASE

Petitioner U.S. Gold & Silver Investments, Inc. conducted a business from its office in Portland, Oregon involving the sale of gold and silver bullion coins to customers on a retail basis.[1] Petitioner claims that it has a protectable trademark in the name "U.S. Gold", a truncated version of its full name, and that such trademark was infringed by respondent J. Aron & Company's use of the name U.S. Gold in the marketing of American Arts Gold Medallions minted by the United States Mint.

On J. Aron's motion for summary judgment, the district court held that "U.S. Gold" was a descriptive term as applied to petitioner's business because it conveyed "without the use of imagination . . . an immediate idea of the character of the goods offered for sale." *U.S. Gold & Silver Investment Inc. v. Director, United States Mint et ano.*, 682 F. Supp. 484, 488 (D. Ore. 1987), *aff'd*, 885 F.2d 620 (9th Cir. 1989). Given the descriptive nature of the term, in order to lay claim to a protectable interest petitioner was required to establish that the term had a "secondary meaning", namely "that the consuming public connects the mark with U.S. Gold & Silver Investments, Inc. rather than" with the products it sells. *Id.* at 488. Since petitioner had admitted that it had "never advertised itself as 'U.S. Gold' . . . has not used the mark . . . on any identifying paper such as business cards, stationery, promotional literature . . . cannot identify a single specific investor who identified it by the name 'U.S. Gold' . . . and [in addition] the term has a general meaning to coin dealers of gold coins minted in the United States in the latter part of nineteenth century and early part of twentieth century[,]" (*id.* at 488) the district court held that there was no genuine issue of fact that the term did not have secondary meaning as applied to petitioner and dismissed the action. The Ninth Circuit, "in full agreement" with the district court's decision, affirmed.

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[1] A bullion coin is a coin whose selling price is based on the value of its gold or silver content.

REASONS FOR DENYING THE WRIT

In granting respondent's motion for summary judgment, the courts below recognized that the categorization of a term's status in the trademark hierarchy—generic, descriptive, suggestive or arbitrary—was a question of law for the court. In determining whether "U.S. Gold" was a "descriptive" term, the lower court defined that as a term which "'forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods'." *U.S. Gold & Silver Investments, Inc., supra,* 682 F. Supp at 487. That definition has been endorsed in substantially the same form by each of the United States Courts of Appeal[2] and has never been questioned by this Court. *See, e.g., Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985) *citing with approval Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

Having concluded that the supposed mark in question was descriptive as applied to petitioner's business, the courts below next considered whether there was an issue of fact as to whether the mark had acquired a secondary meaning. In considering that issue the lower court applied a standard which was first set forth by this Court in *Kellog Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938), and from which this Court has never deviated. *See, Park 'N Fly, supra,* 469 U.S. at 194 (A descriptive mark which is not "distinctive" of an applicant's services is unregistrable and unprotectable). That standard requires a party seeking to es-

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[2] *See Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366 (1st Cir. 1980); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291 (3d Cir. 1986); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522 (4th Cir. 1984); *Soweco, Inc. v. Shell Oil Co.*, 617 F.2d 1178 (5th Cir. 1980), *cert. denied*, 450 U.S. 981 (1981); *Induct-O-Matic Corp. v. Inductotherm Corp.*, 747 F.2d 358 (6th Cir. 1984); *Telemed Corp v. Tel-Med, Inc.*, 588 F.2d 213 (7th Cir. 1978); *Co-Rect Products, Inc. v. Marvy Advertising Photography, Inc.*, 780 F.2d 1324 (8th Cir. 1985); *Marker Int'l v. DeBruler*, 635 F. Supp. 986 (D. Utah 1986), *aff'd*, 844 F.2d 763 (10th Cir. 1988); *American Television and Communications Corp. v. American Communications and Television, Inc.*, 810 F.2d 1546 (11th Cir. 1987).

tablish a secondary meaning in their mark to demonstrate that "the primary significance of the term in the minds of the consuming public is not the product but the producer." *Id. Kellog*, 305 U.S. at 118.

Upon application of that standard to facts which petitioner did not dispute (since it was the source of those facts) the courts below concluded that there was no issue of fact: the term U.S. Gold had not acquired a secondary meaning because there was no proof that the consuming public identified that term with petitioner. Since the term had not acquired a secondary meaning, petitioner had no protectable interest in the term and, thus, its complaint was dismissed.

There is no conflict among the United States Courts of Appeals regarding the appropriate standards to be applied in categorizing marks or in determining when a descriptive mark has acquired a secondary meaning, and petitioner has not challenged those standards. Accordingly, review by this Court would neither resolve a conflict in the circuits—since no conflict exists—nor result in a clarification or change in the law controlling in this area—since that law is well settled. The issues decided in this case do not raise any substantial federal question or any other unique or important legal questions requiring resolution by this Court. *See Rice v. Sioux City Cemetery, Inc.*, 349 U.S. 70, 74, 79 (1955). The grant of certiorari would only present an opportunity for this Court to substitute its judgment for that of the three court of appeals judges and one district judge that have already found petitioner's action to be meritless. That opportunity is not grounds upon which to grant the extraordinary writ of certiorari.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that this Court should deny the petition for certiorari.

Dated: New York, New York
June 5, 1990

Respectfully Submitted,

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